



COMMITTEE ON THE BUDGET
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‘Psssssst.....Have I Got A Deal For You’

The Clinton-Gore “Bargain”: More Spending, Less Tax Cuts

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The \$1.1 Trillion Surplus Increase

Yesterday the White House’s Office of Management and Budget released its annually required mid-session review. The OMB has revised its projections for both the off-budget (Social Security) surplus and the on-budget (non-Social Security) surplus. OMB predicts that, together, these two surpluses will total \$4.1 trillion over the next 10 fiscal years, 2001-2010.

OMB has predicted the on-budget surplus will total \$1.87 trillion over 10 years, more than doubling the prediction of \$746 billion they made in their February budget.

The Clinton-Gore Spending Spree....So Far

Armed with revised surplus numbers, the Clinton-Gore administration is continuing the traditional, liberal-style spending spree. To date, the administration is considering new and additional Washington spending of at least \$881 billion of the \$1.1 trillion surplus increase. The list below explains the Clinton-Gore spending plan:

- New Government Spending (Clinton-Gore programs): \$500 billion
- New Medicare Spending - Drugs: \$126 billion
- New Medicare Spending - Providers: \$40 billion
- New Refundable Tax Credits: \$18 billion
- Additional Interest Costs/Other: \$197 billion

The bill for this spending spree is \$881 billion over 10 years.

continued

The Truth Behind ‘The Bargain’

After announcing the increased surplus yesterday, President Clinton went on to say he would accept roughly \$250 billion in GOP marriage penalty relief in exchange for his roughly \$250 billion plan for Medicare providers and prescription drugs, part of which was already in his February budget. **The President’s willingness to accept GOP tax relief is an afterthought to his spending plan.**

According to the OMB mid-session review, Clinton’s offer to accept \$250 billion in GOP marriage penalty relief matches the unspent remainder of the \$1.1 trillion increase in the on-budget surplus.

Neither the president nor Vice President Gore have articulated any plan to cut the marriage penalty by \$250 billion. They account for the new Medicare spending, but not marriage penalty relief: **It’s not in their budget, it’s not even in the mid-session review.**

The president’s “bargain” contains \$3.50 of new spending for every \$1 in marriage penalty relief.

While We’re on the Subject of Tax Cuts....

In their February budget, Clinton-Gore provided for a net tax cut of approximately \$150 billion over 10 years. (This figure factors out so-called “refundable” tax credits, which are actually spending increases, and includes the President’s tobacco “initiative.”)

In yesterday’s mid-session review, Clinton-Gore actually REDUCE their NET tax cut by \$10 billion to \$140 billion over 10 years. Go figure: There’s apparently MORE money available for spending on Clinton-Gore Big Government programs, but LESS to return to the American taxpayers who created the surplus in the first place.